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SUBJECT: NEVIS HOSTS GEOTHERMAL CONFERENCE

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¶1. (U) The Nevis Island Administration (NIA) hosted the first Eastern Caribbean Geothermal Energy Conference on Nevis, June 30th through July 2nd to promote geothermal energy in the region. In Attendance were government officials from St. Kitts and Nevis, St. Lucia, Dominica, and St. Vincent and the Grenadines. The governments of France and The Netherlands were also present to represent the interests of their Caribbean territories, and the French power company rounded out the attendees. Geothermal experts from the University of Auckland in New Zealand put on a one-day geothermal workshop to close out the three-day conference. Representatives from West Indies Power (WIP), the company developing the geothermal reservoir on Nevis, were more than pleased with the conference and the NIA support of the project in the press.

¶2. (U) While attending the conference a key NIA official, Carlisle Powell, the minister responsible for natural resources, came out publicly with strong support for the development of geothermal energy on Nevis. Powell stressed the need to reduce the cost of electricity to Nevisians, who currently pay one of the highest rates in the world, in order to sustain economic growth for the small island. In 2008, he noted, Nevis spent \$33.3 million on diesel fuel to generate electricity for the island. Citing the instability of global oil markets and Nevis' 100 percent dependence on foreign oil, Powell insisted it was necessary to develop the geothermal resource for the security of the island. According to Powell, Nevis will begin to utilize geothermal power by mid-2010. Current geothermal exploration on Nevis is showing that, if only half the geothermal potential on Nevis is developed, there will still be substantial excess energy for export to neighboring islands.

¶3. (U) In recent meetings with Poloff, the general manager of WIP, Kerry McDonald, has been optimistic about the development of geothermal power on Nevis. After the success of the conference, McDonald is even more pleased with the enthusiastic backing by the NIA. McDonald acknowledged that representatives from WIP recently presented the geothermal energy option to the congress of the United States Virgin Islands (USVI) and, according to McDonald, were received favorably.

¶4. (U) Comment: It is good to see that the Nevis Island Administration is behind the geothermal project, and they see the potential for their small island to benefit. The first island to receive any excess energy will likely be St. Kitts due to its proximity, and several major tourism projects on St. Kitts have already expressed interest in tapping into any geothermally-generated electricity from Nevis (reftel). Any sale of geothermal energy to the USVI, on the other hand, would require the installation of a roughly \$500 million undersea cable from Nevis to the USVI, via Puerto Rico -- an ambitious undertaking that would likely be feasible only if Puerto Rico itself was also a beneficiary. NIA and WIP officials believe Nevis will be generating

geothermal energy in 2010, however, every timeline announced to date has been pushed back six months to a year.  
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